



# County of Los Angeles CHIEF EXECUTIVE OFFICE

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WILLIAM T FUJIOKA  
Chief Executive Officer

August 14, 2013

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From: William T Fujioka  
Chief Executive Officer

## SACRAMENTO UPDATE

### Executive Summary

This memorandum contains reports on the following:

- **Status of County-Sponsored Legislation**

- **County-sponsored AB 331 (Garcia)** - related to the consolidation of a Statewide or special election, was signed by the Governor on August 13, 2013.
- **County-sponsored SB 360 (Padilla)** - related to certification and piloting of new voting systems, passed the Assembly Elections and Redistricting Committee on August 13, 2013.

- **Status of County-Advocacy Legislation**

- **County-supported AB 643 (Stone)** - related to State compliance with Federal law which provides child welfare agencies access to school records of children under their supervision, was signed by the Governor on August 12, 2013.
- **County-supported SB 192 (Liu)** - related to center-based child care and development, is now a two-year bill.

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- **County-supported SB 750 (Wolk)** - related to installation of water submeters on all new multi-family residential units or mixed-use commercial and multi-family residential units, failed to pass the Assembly Water, Parks and Wildlife Committee on August 13, 2013, and was granted reconsideration.
  - **Status of Legislation of County Interest.** A report on three measures of County interest related to technical corrections and conforming changes to the Public Employees' Pension Reform Act of 2013; and increasing real estate recording fees to fund affordable housing programs.
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### **Status of County-Sponsored Legislation**

**County-sponsored AB 331 (Garcia)**, which as amended on April 30, 2013, would: 1) require that elections consolidated with a special election be held and conducted under applicable State and Federal laws; and 2) require a jurisdiction, if it requests to have their election consolidated with a Statewide or special election, to acknowledge that the election will be conducted under applicable State and Federal laws, including the laws regulating voter challenges, election contests, and recounts, was signed by the Governor on August 13, 2013. This measure becomes effective January 1, 2014.

**County-sponsored SB 360 (Padilla)**, which as amended on August 6, 2013, would: 1) require a specified State certification and testing process for voting systems; 2) allow local jurisdictions to pilot publicly-owned voting systems; and 3) allow Voting Modernization Funds to be used for the research and development of voting systems, passed the Assembly Elections and Redistricting Committee by a vote of 4 to 1 on August 13, 2013. This measure now proceeds to the Assembly Appropriations Committee.

### **Status of County-Advocacy Legislation**

**County-supported AB 643 (Stone)**, which as amended on June 19, 2013, would make various changes to pupil record provisions under State law to conform to Federal law pursuant to **County-supported S. 3472**, the Uninterrupted Scholars Act of 2013, that amends the Family Educational Rights and Privacy Act to provide child welfare agencies access to school records of children under their supervision, was signed by the Governor on August 12, 2013 and is Chapter 80, Statutes of 2013. This measure becomes effective January 1, 2014.

**County-supported SB 192 (Liu)**, which as amended on August 5, 2013, would: 1) redefine center-based child care and development programs as direct early learning programs; 2) consolidate contracts for direct early learning programs; 3) require child care agencies to provide families with consumer education; and 4) make other changes to reflect existing practices and qualitative measures, is now a two-year bill at the request of the author.

**County-supported SB 750 (Wolk)**, which as amended on May 24, 2013, would: 1) require that any newly constructed multi-unit residential and mixed-use residential and commercial structure that submits an application for a water connection after January 1, 2014 must install submeters to measure the water supplied to each individual unit; 2) prohibit landlords from charging tenants separately for water service unless a submetering system is installed; 3) provide instruction to landlords on how to charge tenants for submetered water service; and 4) specify the information that must be disclosed to tenants if the landlord intends to charge tenants separately for water service, was amended on August 8, 2013. The bill now would require these provisions as of January 1, 2015. SB 750 failed to pass the Assembly Water, Parks and Wildlife Committee by a vote of 3 to 4 on August 13, 2013. This measure was granted reconsideration.

#### **Status of Legislation of County Interest**

**AB 1380 (Committee on Public Employees, Retirement and Social Security)**, which as amended on June 18, 2013, and **SB 13 (Beall)**, which as amended on February 6, 2013, would make technical corrections and conforming changes to the Public Employees' Pension Reform Act of 2013.

AB 340 (Chapter 296, Statutes of 2012) enacted the Public Employees' Pension Reform Act of 2013 (PEPRA) to govern pensions for public employees and public pension plans. Effective January 1, 2013, PEPRA created changes to the pension systems of the County and most public employers, including new employee changes comprised of lower retirement formulas, pension caps, equal sharing of normal pension costs, increases in retirement age, three-year final compensation based on regular recurring pay, among others. Impact of PEPRA for all employees includes the prohibition of retroactive pension benefit increases, contribution holidays, and purchases of nonqualified service credit.

As amended, AB 1380 would make conforming changes to align the County Employees' Retirement Law (CERL) with the new requirements of PEPRA. Among other provisions, this bill would clarify that:

- any provisions of CERL regarding benefit changes that are in conflict with PEPRA would be superseded by PEPRA;
- compensation used to calculate a benefit may be pensionable compensation or compensation earnable, whichever is applicable;
- a county may use a single rate or an age-at-entry rate when calculating the cost of member contributions required for increasing post-retirement cost-of-living adjustments; and
- the provisions of CERL governing the purchase of additional retirement credit purchases are limited to applications received prior to January 1, 2013, which are subsequently approved by the system.

The Los Angeles County Employees' Retirement Association notes this technical bill would make conforming changes to align the CERL with the new requirements of PEPRA, and further notes that the CalPERS and CalSTRS systems also have conforming bills this legislative session.

AB 1380 is sponsored by the State Association of County Retirement Systems. There is no support or opposition on file. This measure is pending Assembly concurrence with Senate amendments.

SB 13 would make technical corrections and clarifications to PEPRA to assist affected employers and retirement systems in its implementation. In addition to correcting typographical and other errors, this bill would clarify various PEPRA provisions as follows:

- clarify that legacy members in the Los Angeles County Employees' Retirement Association (LACERA) are allowed to move up from non-contributory Plan E to contributory Plan D;
- provide retirement systems with express authority to promulgate regulations or adopt resolutions to implement PEPRA requirements;
- confirm that in determining normal cost, an actuary may use single rate contributions or age-based contribution rates;

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- clarify that the normal cost rate used to determine employee contributions includes all benefits under the plan (such as death and survivor benefits and cost-of-living adjustments);
- clarify that new employees will initially be subject to a higher employee contribution rate, higher than the minimal 50 percent, if it is paid by similarly situated employees subject to a collective bargaining agreement; and
- repeal the new industrial disability provision which is applicable to State employees and county systems, since counties already provide an actuarially reduced disability benefit for safety officers.

The Los Angeles County Employees' Retirement Association reports that an unintended consequence of PEPRA eliminated the ability of current Plan E members to convert their service to contributory Plan D by paying the applicable contributions and interest. LACERA notes that SB 13 would retain the right of existing Plan E members who wish to convert their service to Plan D.

This measure is supported by the California Public Employees' Retirement System and LACERA. There is no opposition on file.

SB 13 is scheduled to be heard in the Assembly Appropriations Committee on August 14, 2013.

**SB 391 (DeSaulnier)**, which as amended on August 8, 2013, would establish a \$75 fee on the recording of real estate transactions, excluding the sale of real property, in order to help fund affordable housing programs, passed the Assembly Housing and Community Development Committee by a vote of 4 to 2 on August 12, 2013. This measure now proceeds to the Assembly Labor and Employment Committee.

We will continue to keep you advised.

WTF:RA  
MR:OR:PC:IGEA:ma

c: All Department Heads  
Legislative Strategist